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Rockwell
International
of Canada Ltd

Annual Report
1975

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Directors

Alonzo B. Kight

President
Rockwell International of Canada Ltd
and
Vice President, International
Rockwell International Corporation
Pittsburgh, Pennsylvania
U.S.A.

Harold M. Griffith

Chairman of the Board
The Steel Company of Canada, Limited
Toronto, Ontario
Canada

A. James Harkness

Secretary & Controller
Rockwell International of Canada Ltd
Town of Vaughan, Ontario
Canada

Robert A. Kingston, Q.C.

Partner
Blake, Cassels & Graydon
Toronto, Ontario
Canada

Donald B. McCaskill

President
Connlab Holdings Limited
Toronto, Ontario
Canada

William P. Panny

President
Automotive Operations
Rockwell International Corporation
Troy, Michigan
U.S.A.

Principal Officers

Alonzo B. Kight

President

Arthur T. Crosscombe

Vice President

Robert A. DePalma

Vice President and Treasurer

A. James Harkness

Secretary & Controller

Cover

Quarter panels for passenger cars are manufactured at Rockwell's Gananoque, Ontario plastics plant. The facility turns out a full line of plastic components for the automotive industry.

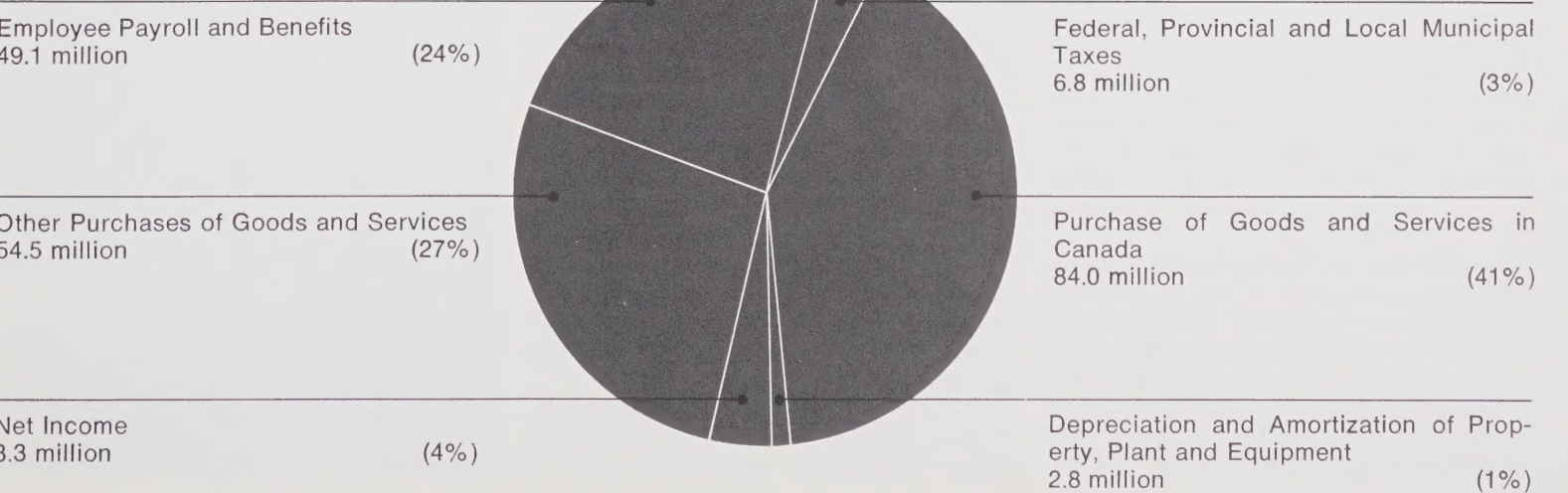
Fiscal 1975 Highlights

(In millions of dollars
except as noted)

Sales	\$205.5
Net Income	8.3
Total Assets	113.5
Shareowners' Equity	83.1
Number of Employees	3,719

1975 Annual Report

Distribution of 1975 Revenue





In fiscal 1975 there was generally good demand for many of the company's products, notably heavy-duty vehicle brakes, products for utility companies, power tools and avionics and telecommunications equipment. Sales increased nine per cent, to \$205.5 million from \$187.8 million in fiscal 1974. The increase was due principally to the acquisition in 1974 of Collins Radio Company of Canada, Ltd.

Fiscal 1975 net income declined 22 per cent—to \$8.3 million from \$10.7 million a year earlier. Income was adversely affected by the country's continuing high inflation rate which pushed material and labor costs higher. Management was unable to recover fully these added costs through increased prices or improved productivity. A soft North American passenger-car market, to which the company supplies wheel covers, plastic components and suspension systems, and start-up costs of an expanded facility in Milton, Ontario were also factors in the profit decline.

Productivity Improvement

To improve productivity and to serve its markets more efficiently, the company made a number of improvements to plant and equipment, reassigned manufacturing responsibility for certain product lines and discontinued manufacturing of certain products.

Improvements at the Tilbury, Ontario brake-manufacturing plant included new automated equipment for the manufacture of cam brake brackets and the purchase of miscellaneous processing and tooling equipment. The 15½-inch Stop-master® brake, formerly manufactured at a Rockwell plant in the United States was added to Tilbury's product line. Brake shoes for sale to other Rockwell plants were also added while several axle products were discontinued.

To improve its already solid position in the suspension systems market, the company transferred hot coil spring manufacturing activities from the Oshawa, Ontario plant, which was closed, to an expanded facility in Milton, Ontario. The transfer included the installation of a completely automated coil spring line.

Corporate Organization Changes

During 1975 the company completed the phase out of its plumbing fixture fittings business with the planned closing of the plant at Oakville, Ontario.

With the decision to market the Rockwell line of business and personal aircraft through distributors, the General Aviation Division sales office in Montreal was closed.

On October 1, 1975 the Microelectronic Product Division, formerly the Business Equipment Division, with headquarters in

Toronto, was transferred to Canadian Admiral Corporation, Ltd., a subsidiary of Rockwell International Corporation. The Business Equipment Division markets the complete line of Rockwell electronic calculators through dealers handling consumer products and office equipment.

Negotiations for the sale of the Boston Gear Division, based at Mississauga, Ontario were completed. The sale of this division, which markets and services speed reducers, gears, fluid power equipment and electric motor drives, is contingent on federal government approval.

In another divestiture, the Board of Directors authorized management to proceed with plans to sell the assets of the company's Graphic Systems Division in Cambridge, Ontario which manufactures and services machinery for the newspaper publishing and commercial printing industries. The sale was completed in February 1976.

Personnel

William P. Panny, President, Automotive Operations, Rockwell International Corporation, and A. James Harkness, Secretary & Controller, Rockwell International of Canada Ltd., were named to the Board of Directors. They replaced Stephen J. Tompkins and Robert F. Stewart, both of whom resigned during the year. I was elected President after serving as a member of the Board of Directors for more than three years.

The board appointed Arthur T. Crosscombe, General Manager, Municipal & Utility Division, a Vice President.

Economic Impact

Operations of the company continued to have a substantial impact on the country's economy. Employment at the company's 39 plants and offices increased eight per cent, reaching more than 3,700 at fiscal year-end compared with 3,450 a year earlier. Total annual payroll expenditures climbed to more than \$49 million.

In addition, the company purchased \$84 million worth of goods and services in Canada from some 5,000 suppliers. Local, provincial and federal taxes incurred by the company amounted to \$6.8 million. The company contributed to the country's foreign trade by exporting \$117 million worth of materials last year.

For the Board of Directors and management, I wish to thank employees, customers and suppliers for their contributions to our achievements in a difficult year.

A. B. Kight

Alonzo B. Kight, President

The company's automotive activities supply both the passenger-car and the heavy-duty vehicle markets of Canada and the United States with such products as brakes, plastic parts, suspension systems, wheel covers and miscellaneous components.

The company manufactures these automotive products at 10 plants throughout Ontario and Quebec; at year-end employment exceeded 2,500.

Brake Division—Brakes sold by the company are manufactured at the Tilbury, Ontario plant. The heavy-duty vehicle brake market expanded in 1975 because export sales to the United States increased, due in part to a new safety standard requiring larger, more powerful brakes on all air-braked vehicles. At the same time, the Canadian truck brake market held firm during much of the year. The division also benefitted from its concerted efforts to penetrate the export heavy-duty brake market through sales to European customers.

As noted earlier, a line of Stopmaster® brakes, formerly manufactured at a Rockwell plant in the United States, was added to Tilbury's product line; and the Tilbury plant took on brake shoe manufacturing for sale to other Rockwell plants. The realignment of product responsibility also included the addition of automated equipment for the manufacture of cam brake brackets. At the same time, transfer lines and axle assembly equipment were removed and shipped to other Rockwell facilities.

Ornamentation Division—The Ornamentation Division operates two plants, totaling 302,000 square feet of office and manufacturing space, in Windsor and Parry Sound, Ontario. It manufactures one-piece wheel covers and hub caps used on autos, and on some light trucks, assembled by all major automobile companies in Canada and the United States.

The division continues to enjoy a strong position in the wheel-cover market, resulting from heavy emphasis on providing solid service, meeting customer needs and from maintaining flexibility in manufacturing capacity. With an upturn in passenger-car demand, the division expects to enjoy an increase in business.

Plastics Division—The Plastics Division operates a plant in Gananoque, Ontario and another in Toronto. In an attempt to counter the decreased demand for plastics components for passenger cars, the division emphasized the supply of plastics parts to other domestic markets, particularly in the appliance and television in-

Brake shoes for heavy-duty trucks are distributed worldwide from the Tilbury, Ontario plant. A recently-completed, \$1.3 million building addition helped meet demand for heavy-duty brakes in North America. The company manufactures wheel covers for all major auto makers at its facilities in Windsor, Ontario (left) and at Parry Sound, Ontario.



dustries. Further improvement in the Canadian auto market is anticipated in 1976.

Expenditures were made in 1975 to improve manufacturing processes, plant and community environment. This division is striving for productivity improvements to justify future expansion of plastics manufacturing facilities in Canada.

Because of the contraction of the division's markets, some restructuring of its organization and cutback in employment were necessary in 1975.

Suspension Systems Division—This division, the company's largest, operates plants in Bracebridge, Chatham and Milton, Ontario; and in Lacolle, Quebec and supplies leaf and coil suspension springs, stabilizer bars and miscellaneous stampings, assemblies and cold form products. The North American passenger-car market served by Suspension Systems Division was at a low level in 1975, but the demand for automobile springs has improved since the introduction of 1976-model automobiles. During 1975 the overall heavy-duty vehicle market declined while the railway market served by this division remained constant.

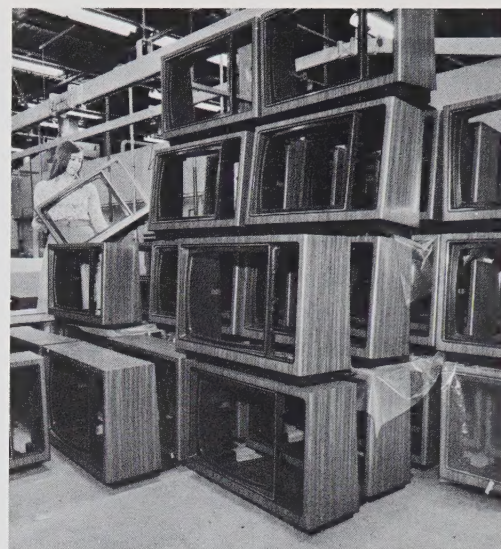
Hot coil spring manufacturing activities were transferred from a plant formerly operated by the company in Oshawa, Ontario to the Milton facility in 1975. In the transfer, a completely automated coil spring line, incorporating sophisticated equipment, was installed at Milton. Previously, 77,000 square feet of floor space was added to the Milton plant to accommodate the hot coil spring manufacturing equipment.

The Chatham facility continues to manufacture leaf springs for light and medium-weight trucks. Although the export market was off slightly in 1975, Chatham had a good year, and it's anticipated there will be continued improvement in fiscal 1976.

The Bracebridge metal stamping and assembly plant, in an effort to offset the slowdown in the passenger-car market, began the manufacture of magnetic shields for use around television picture tubes. About half of the plant's sales are derived from the manufacture of automobile trunk lid torque rods; the plant also produces bumper brackets and buffing wheels used to polish wheel covers and hub caps.

The Lacolle facility continued as a major supplier of coil springs to automobile manufacturers here and in the United States.

Nearly 125,000 cabinets for Admiral television sets are manufactured annually at Gananoque (right). These plastic cabinets show the versatility of the plant which makes a full line of automotive components. Coil springs for passenger cars are produced at the Milton, Ontario plant of the Suspension Systems Division (below).



Utility and Industrial Markets

Municipal & Utility Division—The Municipal & Utility Division, which operates a plant in Guelph, Ontario, received significant orders for gas and water meter products from Canadian utilities, a large order for Smith-Blair couplings for ship-board applications and an order for pipe relining of a water distribution system in Kitchener, Ontario.

A new product, the 143 PL gas regulator designed for use on Alberta gas co-op meter sets, is approved for pressure factor measurement by the Department of Consumer and Corporate Affairs in Ottawa. The Guelph plant is the sole manufacturer of the product for Rockwell International Corporation.

The division looks to continuing favorable market conditions for gas meters and regulators in fiscal 1976. Another promising area is for the line of turbine meters that measure production in the gas fields.

Flow Control Division—The Flow Control Division through its LaSalle, Quebec plant had an excellent year.

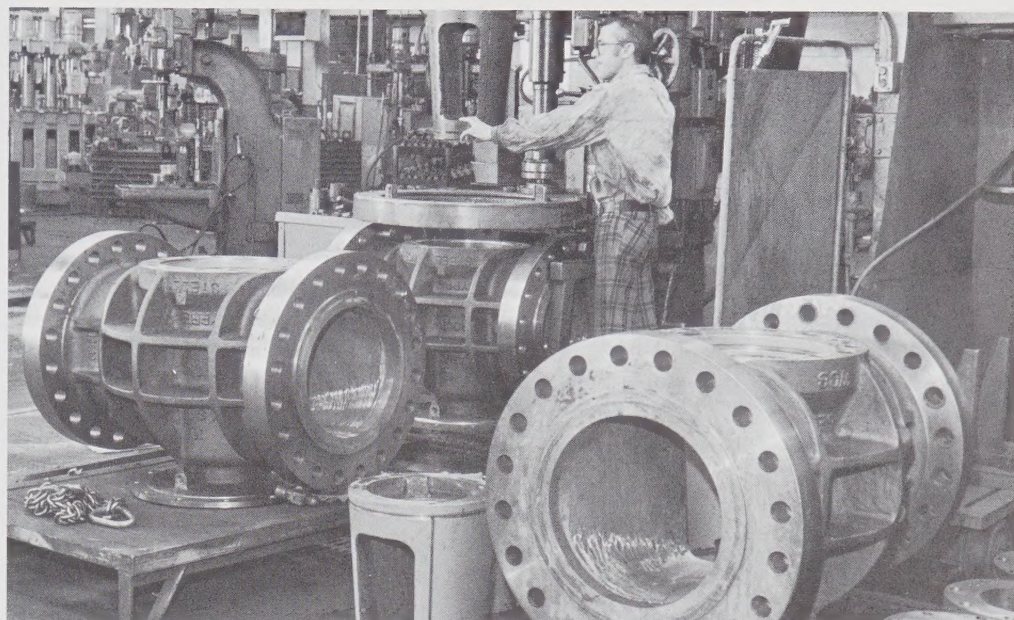
Contributing to this performance were substantial orders for flow control products for gas production, transmission and distribution applications and for electric power plants and large heating and air conditioning installations. Orders for pipeline ball valves increased substantially over the previous year.

The division embarked on an expanded export program involving member Commonwealth nations. Among the significant orders generated by the program were those involving valves for gas transmission pipelines in Pakistan.

The LaSalle plant also significantly upgraded production equipment during the year.

Graphic Systems Group—The printing equipment market, which has been depressed for some time, showed indications of improvement in the latter part of 1975, due in part to the extension by the federal government of accelerated tax depreciation rates. As a result, sales of the company's sheet-fed offset presses and related equipment improved in the period. The graphic arts equipment market for 1976 is expected to show continued improvement.

The Graphic Systems Group, which serves this market, has sales offices in Don Mills, Ontario; Montreal, Quebec; and Vancouver, British Columbia. Graphic Systems sells and services a full line of printing machinery for the newspaper publishing and commercial printing industries.



At the LaSalle, Quebec plant (top), plus valves for natural gas and petroleum pipelines are lapped. In this operation, a proper fit is established between the connecting plug and the body of the line. High flow gas meters are tested at Guelph, Ontario (above). The air bell in the foreground tests household meters with air pressure. A new product from the Guelph facility is the pressure regulator for the utility industry (left).

Power Tool Market

Although the rate of growth of the Canadian economy declined in 1975, the demand for portable and stationary power tools remained strong, enabling the Power Tool Division to have an excellent year.

The Power Tool Division's reputation for quality and functional design, with both the professional craftsman and hobbyist, was enhanced with the introduction of the Rockwell/Beaver® 10-inch professional Tilting Arbor Saw. Introduced toward the end of the fiscal year, the saw met with immediate acceptance.

The Rockwell/Beaver® line of stationary tools, designed and manufactured in Canada, was also extended during the year with the introduction of a new 10-inch wood lathe. Designed and priced specifically for the hobbyist and home craftsman, the lathe is being sold in both the Canadian and United States markets. By fiscal year-end, demand had exceeded the division's most optimistic forecasts.

Introduced at about the same time were five commercial duty portable power tools aimed at carpenters, builders and sophisticated home hobbyists. The line established Rockwell portable tools with leading merchandisers across the country.



Rockwell/Delta table saws are used by professional carpenters and handymen around the world. Following final assembly at the Guelph plant, inspection insures the highest quality.

Electronics Market

Collins Radio supplies Avionics and Telecommunications equipment and services to domestic and international customers throughout the world. Headquarters, plus its marketing and production facilities, are located in Toronto, with additional sales offices at Ottawa and Vancouver.

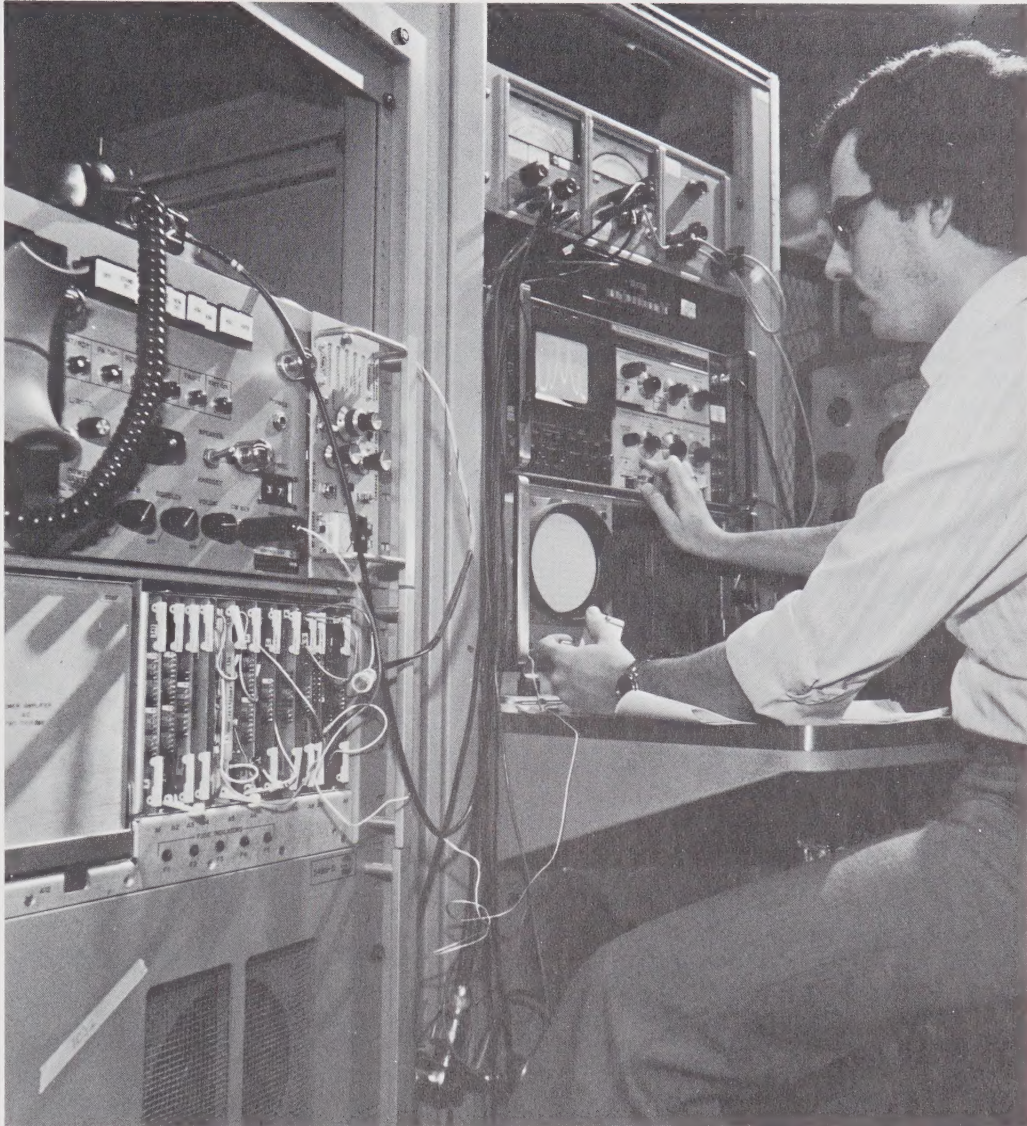
Sales for the 1975 fiscal year increased significantly over the prior year. Employment increased 46 per cent during the year.

Collins Radio is supplying a complete microwave system to the British Columbia Hydro and Power Authority. The system, with 31 microwave stations, extending from Mica to Kootenay, provides control of power generation and transmission facilities. The system also provides for data transmission, VHF mobile radio control and a private telephone system.

The Collins Toronto facility also initiated deliveries of a major microwave contract to the Republic of Korea for its Ministry of Communications. This is the third in a series of such Korean programs, which have been financed in part through the Export Development Corporation.

A new contract was awarded by the Federal Ministry of Transport calling for Collins to supply an Integrated Communications and Control System (ICCS) for seven major airports, from Vancouver to Gander, and for two training centres.

The Collins Toronto facility was also awarded a major contract by the Government of Ecuador to supply a communications system to the Ministry of Defense. A wide range of communications equipment will be included in this program designed to modernize their naval communications system.



At Collins Radio, Toronto (above) a final data check is performed on a high frequency transceiver. Such equipment is used on the ships of the Ministry of Transportation. A much more portable transceiver is tested prior to shipment to the military (left).

Consolidated Balance Sheet

As at September 30, 1975 and 1974

Assets	1975	1974
CURRENT ASSETS:		
Cash and certificates of deposit	\$ 2,586,306	\$ 5,021,000
Accounts and notes receivable:		
Trade	27,440,392	34,542,970
Other	1,468,174	1,471,386
Income taxes recoverable	309,908	—
Inventories	31,254,734	33,657,001
Due from parent company—non-interest-bearing	20,500,205	5,000,000
Due from affiliated companies	1,941,672	—
Prepaid expenses	860,338	1,765,756
Total current assets	86,361,729	81,458,113
PROPERTY, PLANT AND EQUIPMENT—at cost:		
Land	1,220,140	1,201,574
Improvements to land and leaseholds	1,089,768	1,028,507
Buildings	16,641,998	14,405,812
Machinery and equipment	41,701,177	41,015,425
Construction in progress	146,750	3,727,876
	60,799,833	61,379,194
Less accumulated depreciation and amortization	34,617,266	35,122,425
Net property, plant and equipment	26,182,567	26,256,769
OTHER ASSETS:		
Research and development costs	617,931	736,255
Other	311,354	91,918
Total other assets	929,285	828,173
TOTAL	\$113,473,581	\$108,543,055
Liabilities and Shareowners' Equity	1975	1974
CURRENT LIABILITIES:		
Bank indebtedness	\$ —	\$ 6,639,564
Accounts payable	25,364,789	18,237,320
Income taxes	—	5,855,516
Due to affiliated companies	—	1,057,751
Deferred foreign currency exchange gains	513,695	—
Total current liabilities	25,878,484	31,790,151
DEFERRED INCOME TAXES	4,530,741	2,007,923
SHAREOWNERS' EQUITY:		
Capital stock:		
Authorized:		
11,000,000 common shares of no par value		
Issued and fully paid:		
959,990 common shares	1,680,091	1,680,091
Contributed surplus	9,988,376	9,988,376
Retained earnings	71,395,889	63,076,514
Total shareowners' equity	83,064,356	74,744,981
Approved by the Board:		
William P. Panny, <i>Director</i>		
Donald B. McCaskill, <i>Director</i>		
TOTAL	\$113,473,581	\$108,543,055

The accompanying notes are an integral part of the financial statements.

Consolidated Statement of Income and Retained Earnings

For the years ended September 30, 1975 and 1974

	1975	1974
SALES	\$205,514,697	\$187,847,353
COSTS AND EXPENSES—cost of sales and other operating charges	191,341,504	169,786,357
INCOME BEFORE INCOME TAXES	14,173,193	18,060,996
PROVISION FOR INCOME TAXES	5,853,818	7,378,000
NET INCOME	8,319,375	10,682,996
RETAINED EARNINGS AT BEGINNING OF THE YEAR	63,076,514	52,393,518
RETAINED EARNINGS AT END OF THE YEAR	\$ 71,395,889	\$ 63,076,514

Consolidated Statement of Contributed Surplus

For the years ended September 30, 1975 and 1974

	1975	1974
CONTRIBUTED SURPLUS AT BEGINNING OF THE YEAR	\$9,988,376	\$ 123,661
ADDITIONS ARISING FROM ACQUISITIONS FROM AFFILIATED COMPANIES	—	9,864,715
CONTRIBUTED SURPLUS AT END OF THE YEAR	\$9,988,376	\$9,988,376

The accompanying notes are an integral part of the financial statements.

Consolidated Statement of Changes in Financial Position*For the years ended September 30, 1975 and 1974*

	<u>1975</u>	<u>1974</u>
FUNDS PROVIDED:		
From operations:		
Net income	\$ 8,319,375	\$10,682,996
Add items not involving use of working capital:		
Depreciation and amortization	2,833,797	2,398,594
Deferred income taxes	2,522,818	1,470,000
Loss (gain) on sale of fixed assets	(307,618)	16,978
Total funds provided from operations	13,368,372	14,568,568
Proceeds on disposal of property, plant and equipment	765,170	174,762
	<u>14,133,542</u>	<u>14,743,330</u>
From acquisitions:		
Issue of shares	—	104,831
Increase in contributed surplus	—	9,864,715
	<u>—</u>	<u>9,969,546</u>
Deduct non-fund assets acquired:		
Property, plant and equipment—net	—	4,956,025
Deferred income taxes	—	1,970,000
Deferred charges	—	828,173
	<u>—</u>	<u>7,754,198</u>
Net funds provided from acquisitions	—	2,215,348
Total funds provided	<u>14,133,542</u>	<u>16,958,678</u>
FUNDS APPLIED:		
Property, plant and equipment additions	3,217,147	6,061,867
Other assets	101,112	—
Total funds applied	<u>3,318,259</u>	<u>6,061,867</u>
INCREASE IN WORKING CAPITAL	10,815,283	10,896,811
WORKING CAPITAL AT BEGINNING OF THE YEAR	<u>49,667,962</u>	<u>38,771,151</u>
WORKING CAPITAL AT END OF THE YEAR	<u>\$60,483,245</u>	<u>\$49,667,962</u>
CHANGES IN WORKING CAPITAL—INCREASE (DECREASE):		
Cash and certificates of deposit	\$ (2,434,694)	\$ 3,879,864
Due from parent company	15,500,205	5,000,000
Accounts and notes receivable	(7,105,790)	10,025,529
Inventories	(2,402,267)	7,835,727
Prepaid expenses	(905,418)	13,885
Bank indebtedness	6,639,564	(6,639,564)
Accounts payable	(7,641,164)	(4,247,469)
Income taxes	6,165,424	(4,736,160)
Due from affiliated companies	2,999,423	(235,001)
INCREASE IN WORKING CAPITAL	<u>\$10,815,283</u>	<u>\$10,896,811</u>

The accompanying notes are an integral part of the financial statements.

Notes to Financial Statements

1. Summary of Significant Accounting Policies

Consolidation:

The consolidated financial statements include the accounts of Rockwell International of Canada Ltd and its wholly-owned subsidiary, Collins Radio Company of Canada, Ltd.

Foreign currency translation:

Foreign currencies have been translated to Canadian dollars as follows: Current assets and liabilities at the approximate rate at the year end; revenues and expenses at average rate during the year. The company had no non-current assets or liabilities recorded in foreign currency.

Inventories:

Inventories have been valued as follows: Finished goods and work in process at lower of cost or net realizable value; raw materials at the lower of cost or replacement cost.

Depreciation and amortization of property:

Depreciation is provided principally on a straight-line basis over the estimated useful lives of the respective assets. Amortization is related generally to leasehold improvements and is provided over the terms of the respective leases.

Instalment sales:

Sales of printing presses made on instalment terms are recorded and income therefrom is recognized at the time deliveries are made. Instalment notes receivable applicable thereto, a portion of which mature after one year, are included in current assets in accordance with recognized trade practice.

Research and development costs:

Research and development costs are charged against income as incurred except for development costs of certain electronic equipment which have been deferred and will be amortized over estimated future production.

Income taxes:

Taxes are provided for items included in the income statement regardless of the period when such items are reported for tax purposes. The principal item that results in the timing difference for financial and tax reporting purposes is depreciation.

2. Accounts and Notes Receivable

Accounts and notes receivable at September 30, 1975 include instalment notes receivable of \$3,083,997 relating to sales

of printing presses of which approximately \$2,135,000 matures after September 30, 1976.

3. Inventories

Inventories are summarized as follows:

	1975	1974
Raw materials	\$13,970,321	\$19,713,262
Work in process . . .	9,653,424	5,076,216
Finished goods . . .	7,630,989	8,867,523
Total	<u>\$31,254,734</u>	<u>\$33,657,001</u>

4. Pension Plan

The unfunded past service costs of company pension plans amount to approximately \$10,800,000 at September 30, 1975. The amount will be funded and charged to operations in the period extending through 1989. The charge to income in respect of past service costs in 1975 was \$1,070,468 and \$918,000 for 1974.

5. Directors and Officers

The information required by statute to be reported with respect to directors and officers is as follows:

	1975	1974
Number of directors	6	6
Aggregate remuneration of directors as directors	\$ 9,000	\$ 9,500
Number of officers	6	17
Aggregate remuneration of officers as officers	\$116,400	\$163,200
Number of officers who are directors	2	1

6. Acquisitions

During the year ended September 30, 1974 the company engaged in transactions with its parent and other affiliated companies as follows:

(a) Rockwell International of Canada Ltd., a company engaged principally in the manufacture of parts for the automotive industry, and Sterling Faucet Canada Limited, an affiliated company engaged in the manufacture of plumbing fittings, entered into an agreement for their amalgamation under the name of Rockwell International of Canada Ltd effective December 31, 1973. Because of the relative size of Rockwell International of Canada Ltd. it was considered to be the acquirer and the combination has been accounted for by the purchase method, under which the cost of the purchase is determined as of the date of acquisition and the financial statements of the acquiring company reflect the operations of the acquired company only from the date of acquisition. The operating results of Sterling Faucet Canada Limited are accordingly included in the accompanying financial statements since December 31, 1973. The

assets acquired in the transaction amounted to \$1,692,392 and liabilities to \$795,780. As consideration for the acquisition, 1,000 no par value shares were issued in the amount of \$4,831 at which they had been valued in the accounts of Sterling Faucet Canada Limited and the remaining \$891,781 was credited to contributed surplus.

(b) Effective December 31, 1973, and pursuant to an agreement between the company and its parent, Rockwell International Corporation, all the issued shares of Rockwell Manufacturing Company of Canada, Limited, a company engaged principally in the manufacture of flow-measurement and flow-control equipment and power tools, were transferred without charge to the company, creating an addition to contributed surplus of \$8,312,413. Rockwell Manufacturing Company of Canada, Limited then proceeded to distribute its assets and to file articles of dissolution under The Business Corporations Act. Its operations subsequent to December 31, 1973 were carried on as a division of the company and its results have been included in the accompanying financial statements from that date.

(c) Effective December 31, 1973 the company acquired by transfer, also without charge, from MGD Graphic Systems Americas Company, an affiliated corporation engaged in the manufacture of printing equipment, the fixed assets and ongoing operations of its Cambridge, Ontario branch. The value of the assets transferred amounting to \$1,868,734 was treated as an addition to contributed surplus. Subsequent to the date of the transfer the operations of the branch were carried on as a division of the company and its results have been included in the accompanying financial statements since December 31, 1973.

(d) Effective September 30, 1974, the company acquired from its parent all of the issued shares of Collins Radio Company of Canada, Ltd. for a consideration of \$100,000 and issued 1,275 shares in settlement. This acquisition has been accounted for by the purchase method and the assets and liabilities of the subsidiary have been included in these financial statements as at September 30, 1974 and its operating results have been included since that date. The amount of \$1,208,213, being the excess of the purchase price of the shares of the subsidiary over the net book value of its assets at the date of acquisition, has been treated as a deduction from contributed surplus.

The foregoing acquisitions from the parent and other affiliated companies dur-

ing the year ended September 30, 1974 may be summarized as follows:

	Net Assets (Liabilities) Acquired	Consid- eration: Capital Stock	Contributed Surplus Increase (Decrease)
Sterling Faucet Canada Limited	\$ 896,612	\$ 4,831	\$ 891,781
Rockwell Manu- facturing Com- pany of Cana- da, Limited ..	8,312,413	Nil	8,312,413
MGD Graphic Systems Amer- icas Company	1,868,734	Nil	1,868,734
Collins Radio Company of Canada, Ltd. .	(1,108,213)	100,000	(1,208,213)
Total	<u>\$9,969,546</u>	<u>\$104,831</u>	<u>\$9,864,715</u>

7. Reclassification

Certain of the 1974 figures have been reclassified to conform to the presentation in the 1975 financial statements.

8. British Columbia Companies Act

These financial statements have been prepared in accordance with the Canada Corporations Act and do not necessarily comply with every provision of sections 196, 199 and 200, and every regulation under section 198 of the British Columbia Companies Act.

DELOITTE, HASKINS & SELLS
Chartered Accountants
Toronto, Ontario

To the Shareowners of
Rockwell International of Canada Ltd:

We have examined the consolidated balance sheet of Rockwell International of Canada Ltd and its subsidiary company as at September 30, 1975 and 1974 and the consolidated statements of contributed surplus, income and retained earnings and changes in financial position for the years then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of accounting records and such other auditing procedures as we considered necessary in the circumstances; we have relied on the report of the auditors who examined the financial statements of the subsidiary company for the year ended September 30, 1974.

In our opinion these consolidated financial statements present fairly the financial position of the companies as at September 30, 1975 and 1974 and the results of their operations and the changes in their financial position for the years then ended, in accordance with generally accepted accounting principles consistently applied.

Deloitte, Haskins & Sells

Auditors.

October 24, 1975.

**Rockwell International
of Canada Ltd**

Corporate Offices
90 Snidercroft Road
Town of Vaughan, Ontario

Principal Products

Automotive brake systems; plastic products; tools, dies and moulds; automotive, railroad and industrial springs; mechanical springs; stamped and plated automotive parts and equipment; clamps and couplings; flow measurement and control equipment; gears; printing machinery and related products; consumer and industrial power tools; military and maritime communication systems; power distribution systems.

**Divisions and Principal Plants
and Offices**

Automotive Service Parts

Montreal, Quebec
*Toronto, Ontario

Plastics Division

Gananoque, Ontario
Toronto, Ontario

Suspension Systems Division

Bracebridge, Ontario
Chatham, Ontario
Lacolle, Quebec
Milton, Ontario

Ornamentation Division

Parry Sound, Ontario
Windsor, Ontario

Municipal & Utility Division

*Calgary, Alberta
Guelph, Ontario
*LaSalle, Quebec
*Vancouver, British Columbia

Flow Control Division

*Calgary, Alberta
LaSalle, Quebec
*Rexdale, Ontario
*Vancouver, British Columbia

Boston Gear Division

*Mississauga, Ontario

Graphic Systems Division

*Don Mills, Ontario
*Montreal, Quebec
*Vancouver, British Columbia

Power Tool Division

*Calgary, Alberta
Guelph, Ontario
*London, Ontario
*Mississauga, Ontario
*Ottawa, Ontario
*Quebec City, Quebec
*St. Laurent, Quebec
*Vancouver, British Columbia
*Winnipeg, Manitoba

System Monitoring Division

*Toronto, Ontario

**Collins Radio Company of Canada, Ltd.
(subsidiary)**

*Ottawa, Ontario
Toronto, Ontario
*Vancouver, British Columbia

Brake Division

Tilbury, Ontario

**Indicates non-manufacturing activity*

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